



WEDNESDAY'S  
News You Can Use



# Social Security & The Government Employee

Presented by: **Jackie Deckman, CPFA**



Carl Vinson  
Institute of Government  
UNIVERSITY OF GEORGIA



# Today's Presenter

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Since 1996, Jackie has partnered with both public and private sector employers toward the goal of developing stronger retirement programs and healthier retirement outcomes for employees. As advisor, Jackie draws on years of experience gained working for some of the retirement plan industry's largest institutional providers including Principal Financial Group, ADP Retirement Services, MassMutual and Fidelity Investments.

She has earned a Bachelor of Arts degree in English from St. Anselm College, a Master of Arts degree in International Relations from Syracuse University's Maxwell School and her Certified Plan Fiduciary Advisor (CPFA®) credential from the National Association of Plan Advisors (NAPA). This credential demonstrates the expertise required to act as a plan fiduciary and help plan fiduciaries manage their roles and responsibilities.

Jackie holds the Series 6, 7, 63, and 65 securities registrations with LPL Financial and is Georgia Life, Accident & Sickness, and Variable Products licensed.

Securities and Retirement Plan Consulting Program advisory services offered through LPL Financial, a registered Investment advisor. Member FINRA/SIPC.

# Learning Objectives

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At the end of this session, you should be able to:

- Identify attributes of earnings credits to determine eligibility
- Recall components of the Social Security benefit calculation
- Identify impacts of the Windfall Elimination Provision and the Government Pension Offset for those in traditional government pension plans



# Social Security & the Government Employee

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Presentation Partner Logo



# Who is Atlanta Retirement Partners?



## ***People Come First.***

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We are more than investment consultants; we are facilitators, educators, and optimizers. Our goal is to ensure that employees are retirement ready. With nearly 20 years of experience in this specialized market, Atlanta Retirement Partners has served hundreds of employers and thousands of employees in various industries in the Southeast.

# Knowledge Check

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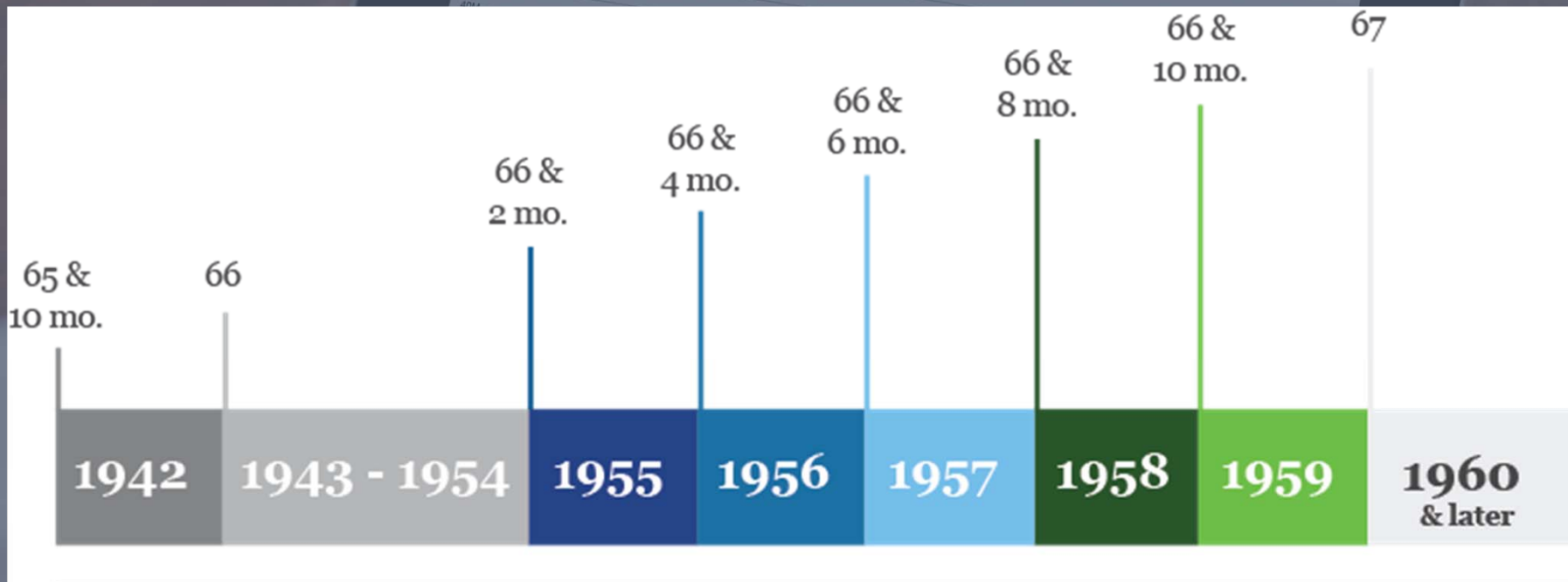
Does your government participate in Social Security?

- A. Yes
- B. No

## Sources of Retirement Income



# Full Retirement Age



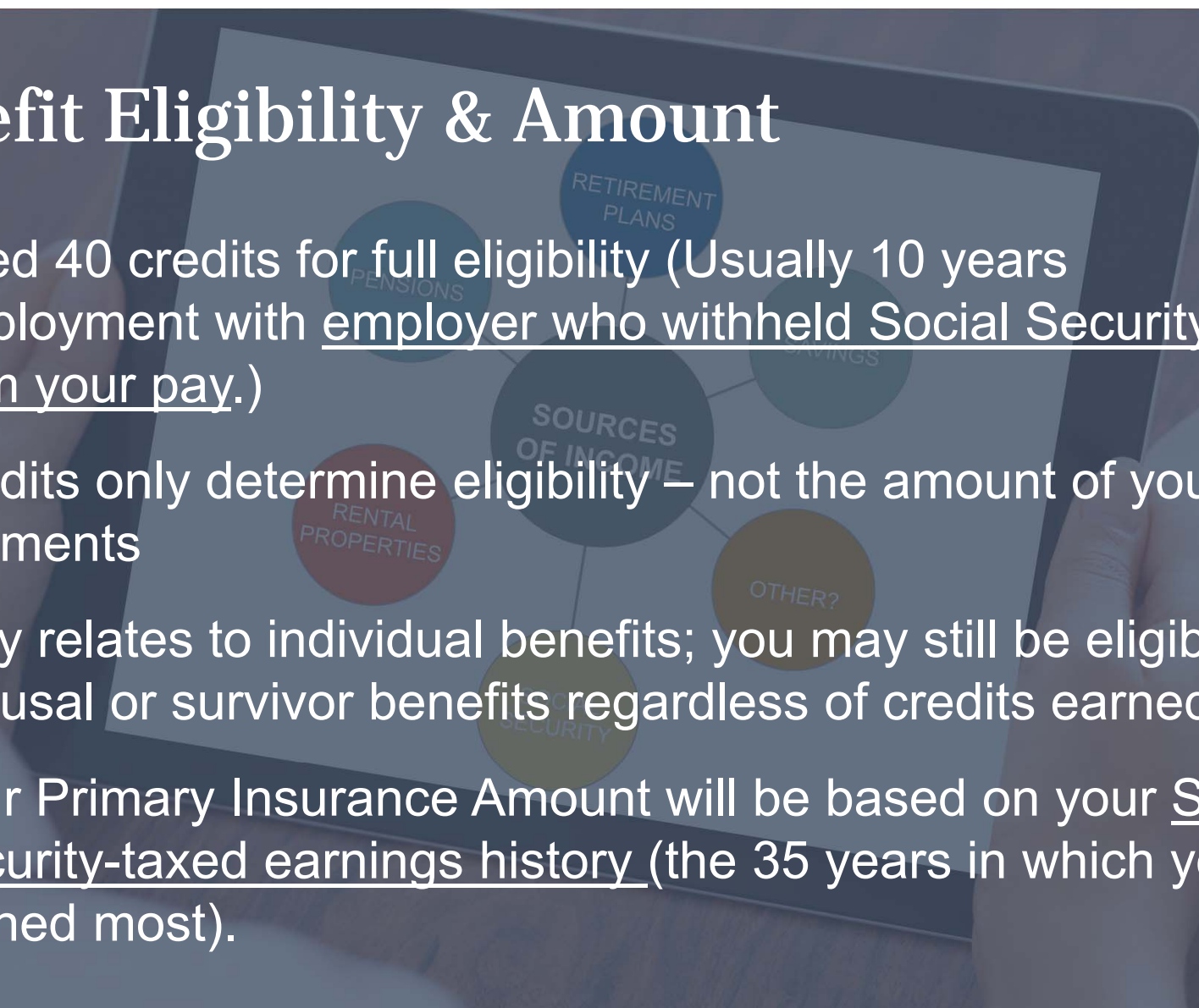
## FRA by Year of Birth

If born Jan. 1, the SSA figures your benefit as if you were born the previous year.  
Social Security Administration, "Retirement Planner: Benefits by Year of Birth 2015," SSA.gov



# Benefit Eligibility & Amount

- Need 40 credits for full eligibility (Usually 10 years employment with employer who withheld Social Security taxes from your pay.)
- Credits only determine eligibility – not the amount of your payments
- Only relates to individual benefits; you may still be eligible for spousal or survivor benefits regardless of credits earned
- Your Primary Insurance Amount will be based on your Social Security-taxed earnings history (the 35 years in which you earned most).



# Social Security & Government Employees

Social Security Retirement & Disability Benefits may be impacted if...

- You worked for an employer who didn't withhold Social Security taxes from your pay,

**and,**

- You receive a retirement or disability pension based on that work.



# Knowledge Check

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Which of the following is a true statement(s) concerning benefit eligibility and amount?

- A. 30 credits are needed for full eligibility
- B. 40 credits are needed for full eligibility
- C. Credits determine eligibility not your payment amount
- D. Credits determine your payment amount only
- E. Both B and C.

# Windfall Elimination Provision (WEP)

WEP Changes how your Primary Insurance Amount is calculated.\*

Worker reaching age 62 in 2019

Career Average Monthly Earnings Adjusted for Average Wage Growth	Multipliers – Worker Not Subject to WEP	Multipliers - Worker Subject to Full WEP
1 <sup>st</sup> \$926	90%	40%
Over \$926 up to \$5,583	32%	32%
Over \$5,583	15%	15%
	Sum = PIA	Sum = PIA

\*See Social Security Administration “Windfall Elimination Provision” for details: <https://www.ssa.gov/pubs/EN-05-10045.pdf>

# Reducing the Impact of WEP

Having many years of Social Security-taxed Substantial Earnings\* may reduce WEP's impact

Years of Substantial Social Security Earnings	Multiplier	Years of Substantial Social Security Earnings	Multiplier
30+ Years	90% - No Impact	24	60%
29	85%	23	55%
28	80%	22	50%
27	75%	21	45%
26	70%	20 Years or less	40% - Full Impact
25	65%		

\*See Social Security Administration "Windfall Elimination Provision" for details regarding "substantial earnings".  
<https://www.ssa.gov/pubs/EN-05-10045.pdf>



# Government Pension Offset (GPO)

Any monthly Social Security benefits payable to you as a spouse, widow, or widower are offset by 2/3<sup>rds</sup> of your monthly pension amount.\*

<b>Monthly Government Pension</b>	<b>\$600</b>
<b>Government Pension Offset (2/3rds)</b>	<b>\$400</b>
<b>Monthly Social Security Spousal Benefit</b>	<b>\$500</b>
<b>GPO Adjusted Monthly Social Security Spousal Benefit</b>	<b>\$100</b>
<b>Total Monthly Income</b>	<b>\$700 instead of \$1,100</b>

Example for illustrative purposes only.

\*See Social Security Administration "Government Pension Offset" for details: <https://www.ssa.gov/pubs/EN-05-10007.pdf>

# Knowledge Check

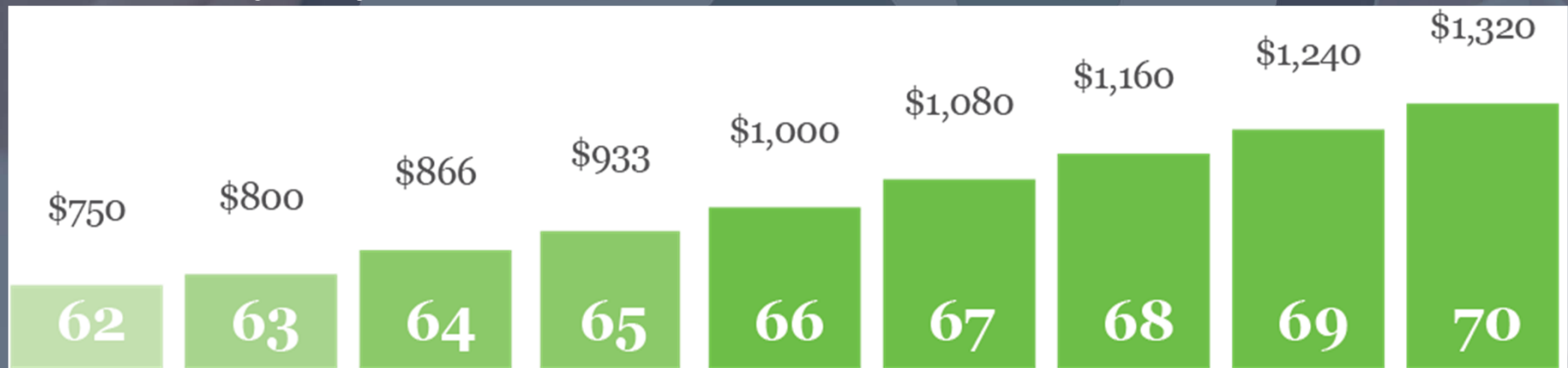
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What is the minimum # of years of Social Security Substantial Earnings necessary to eliminate the impact of WEP?

- A. 15 years or more
- B. 25 years or more
- C. 27 years or more
- D. 30 years or more

# Deciding When to Collect

- Delaying benefits from 62 until age 70 represents a 76% increase in monthly payments.

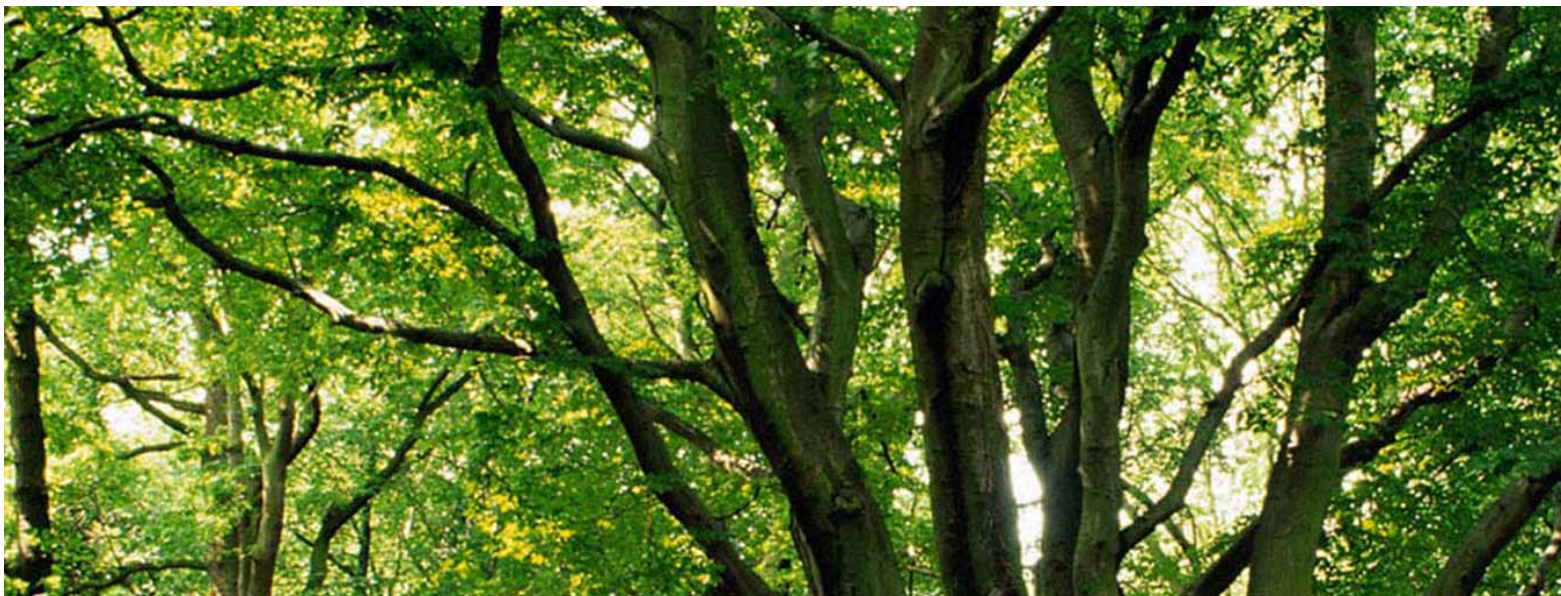


## What this means for Monthly Benefits

*This example assumes a benefit of \$1,000 at a Full Retirement Age of 66. This is a hypothetical illustration and does not predict actual performance.*

Social Security Administration, "When to Start Receiving Retirement Benefits 2015," SSA.gov

## Questions?



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# Thank You!



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